

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
WESTERN DIVISION**

In re: Commonwealth Business Credit, LLC

Case No. 21-31507

Debtor.

Chapter 7

Judge JOHN P. GUSTAFSON

**OBJECTION TO MOTION FOR RELIEF FROM STAY AND ABANDONMENT FILED
BY WATERFORD BANK, N.A.**

Now comes Ericka Parker, Trustee in the above captioned case, (“Trustee”), by and through undersigned counsel, and hereby Objects to the Motion for Relief from Stay and Abandonment filed by Waterford Bank, N.A. (Doc. No. 33). As and for this Objection, the Trustee states.

On August 23, 2021, an involuntary petition was commenced against the Debtor, Commonwealth Business Credit, LLC. (“Debtor”).

On September 20, 2021, an order for relief was entered by the Court.

Upon information and belief, the Debtor was indebted to Waterford Bank, N.A.(“Waterford”) at the commencement of the case.

Upon information and belief, Waterford may hold an interest in certain accounts of the Debtor.

On October 20, 2021, Waterford filed its Motion for Relief from Stay and Abandonment. (“Motion”). In its Motion, Waterford asserts a security interest in all of the Debtor’s personal property. As the basis for its Motion, Waterford asserts, inter alia:

Debtor has no equity in the Collateral, because the Collateral is valued at approximately \$842,227.00, and including the Movant’s lien, there are liens in an aggregate amount of \$2,767,483.84 as of September 27, 2021 plus legal fees and expenses on the Collateral.

On October 22, 2021, the Trustee filed a Motion for Turnover with respect to Waterford. (Doc. No. 37). In this Motion, the Trustee asks that Waterford provide and turnover the

following to the Trustee:

- (1) any and all Notes the Debtor has with Waterford;
- (2) any and all financial statements statement submitted to Waterford by the Debtor and its principals, Richard Scheich and James DelVerne;
- (3) any and all assignments of assets provide by the Debtor to Waterford;
- (4) any applications made by the Debtor and its principals, Richard Scheich and James DelVerne, to Waterford for financing;
- (5) any guarantees executed by any person or entity, including Richard Scheich and James DelVerne, with respect to any financing extended by Waterford to the Debtor;
- (6) copies of any notices/letters sent regarding the collection on any accounts of the Debtor in which Waterford maintains and/or asserts an interest; and
- (7) any other documents in the possession of Waterford which the Debtor would be entitled to obtain upon request.

In addition, the Trustee asks that Waterford provide an accounting of all funds received by Waterford from the Debtor, whether as a direct payments from the Debtor, or as payments received on any of the Debtor's accounts in which Waterford holds and/or asserts an interest, whether as security or by assignment.

The Trustee states that until Waterford has complied with the above requests, the Court should deny Waterford's Motion as the Trustee cannot asses the veracity of the grounds set forth by Waterford in its Motion. Of concern for the Trustee is that the schedules filed by the Debtor show over 5.5 million in accounts receivable, of which 4.7 million is listed as doubtful or uncollectible amount. However, until such time as the Trustee knows additional facts, such as which accounts Waterford has and is collecting on, and an accounting of the same, the Trustee believes that Waterford should not be entitled to the relief sought in its Motion.

WHEREFORE, the Trustee respectfully requests this Court Sustain her Objection to the Motion for Relief from Stay and Abandonment filed by Waterford Bank, N.A., and thereby Deny the Same, and that the Court enter any other relief in favor of the Trustee it deems just and equitable.

Respectfully submitted

/s/Eric R. Neuman
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CERTIFICATION

I, Eric Neuman, do hereby certify that a copy of this Objection to Waterford's Bank Motion for Relief from Stay and Abandonment was sent this 26th day of October 2021, to the list of creditors and/or interested parties listed below.

/s/Eric R. Neuman
Eric R. Neuman

Notice will be electronically mailed to:

- Patricia B. Fugee patricia.fugee@fisherbroyles.com, cpbf11@trustesolutions.net
- Thomas W. Heintschel theintschel@fhk-law.com
- Scot A. Hinshaw hinshaw@nwklaw.com
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